

BAE Systems (Projects) Limited

Annual report and financial statements

31 December 2016

Registered number: 00444860



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Directors' report

Company registration

BAE Systems (Projects) Limited is a private company, limited by shares and registered in England and Wales with the registered number 00444860.

Results and dividends

The Company's profit for the financial year is £nil (2015 £nil).

The directors do not propose a dividend for 2016 (2015 £nil).

Looking forward

The Company was initially set up to deal with export contracts, however, it is anticipated that any future export contracts will be handled by a fellow Group company, BAE Systems Surface Ships (Projects) Limited. Consequently, the Company does not intend to trade in the foreseeable future.

Going concern

BAE Systems (Projects) Limited no longer has a trade and on this basis, the financial statements have not been prepared on a going concern basis.

Directors and their interests

The director who served during the year and at the date of this report was as follows:

DB Gill

The Board is not aware of any contract of significance in relation to the Company in which any director has, or has had, a material interest.

On behalf of the Board



DB Gill

Director

23 May 2017

Registered office:
BAE Systems (Projects) Limited
Warwick House
PO Box 87
Farnborough Aerospace Centre
Farnborough
Hampshire
GU14 6YU
England
United Kingdom

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Income statement

for the year ended 31 December 2016

During the financial year and the preceding financial year the Company did not trade and received no income and incurred no expenditure. Consequently during these years the Company made neither a profit nor a loss nor reported any other comprehensive income.

Balance sheet

as at 31 December 2016

	Notes	2016 £'000	2015 £'000
Current assets			
Trade and other receivables	4	718	718
Total assets		718	718
Current liabilities			
Trade and other payables	5	(365)	(365)
Total liabilities		(365)	(365)
Net assets		353	353
Capital and reserves			
Issued share capital	6	-	-
Retained earnings		353	353
Total equity		353	353

For the year ending 31 December 2016 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The notes on page 7 to 9 form part of the financial statements.

Approved by the Board on 23 May 2017 and signed on its behalf by:



DB Gill
Director

Registered number: 00444860

Statement of changes in equity
for the year ended 31 December 2016

	Notes	Issued share capital £'000	Retained earnings ¹ £'000	Total equity £'000
At 1 January 2015		-	8,353	8,353
Profit for the year		-	-	-
Ordinary share dividends	6		(8,000)	(8,000)
At 31 December 2015		-	353	353
Profit for the year		-	-	-
At 31 December 2016		-	353	353

¹ The non-distributable portion of retained earnings is £nil (2015: £nil).

Notes to the financial statements

1 Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework. Amendments to FRS 101 (2014/15 Cycle and other minor amendments) and Amendments to FRS 101 (2015/16 cycle) both effective for periods beginning on or after 1 January 2016 have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRS) as adopted by the EU (EU-adopted IFRS), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken:

- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1, Presentation of Financial Statements;
- the requirements of IAS 7, Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24, Related Party Disclosures; and
- the requirements in IAS 24, Related Party Disclosures, to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The Company intends to continue to prepare its financial statements in accordance with FRS 101.

The following paragraphs summarise the main accounting policies of the Company and have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of relevant financial assets and financial liabilities (including derivative instruments).

The principal activity of the Company was to deal with export contracts, but trading has now ceased. On the basis that the Company does not have a trade, the financial statements have not been prepared on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

Dividends

Dividends received and receivable are credited to the Company's income statement. Equity dividends paid on ordinary share capital are recognised as a liability in the period in which they are declared.

Trade and other receivables

Trade and other receivables are stated at their cost less provision for bad debts. A provision for bad debt is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. Receivables with a short-term duration are not discounted.

Trade and other payables

Trade and other payables are stated at their cost.

Tax

Income tax expense comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences:

- on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- related to investments in subsidiaries and equity accounted investments to the extent that it is probable that they will not reverse in the foreseeable future; and
- arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Tax (continued)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority and they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2 Directors and employees

None of the directors received any emoluments from the Company during the year. All directors who served during the year were employed by BAE Systems Surface Ships Limited and were remunerated through that company.

The directors did not provide any material qualifying services to the Company.

The company has no employees (2015 none).

3 Taxation expense

Total tax reconciliation

The following reconciles the expected income tax expense, using the UK corporation tax rate, to the reported tax expense:

	2016 £'000	2015 £'000
Result before taxation	-	-
UK corporation tax rate	20.00%	20.25%
Expected income tax expense on result	-	-
Imputed interest	-	22
Losses received from Group Companies	-	(22)
Taxation expense	-	-

Provision for deferred tax is not required.

4 Trade and other receivables

	2016 £'000	2015 £'000
Amounts owed by group subsidiaries	718	718
	718	718

5 Trade and other payables

	2016 £'000	2015 £'000
Current		
Amounts owed to group subsidiaries	365	365
	365	365

Notes to the financial statements *(continued)*

6 Share capital

Share capital

	£1 Ordinary shares No	Nominal value £'000
Issued and fully paid		
At 1 January and 31 December 2016	100	-

Equity dividends

	2016 £'000	2015 £'000
Final dividend for ordinary shares paid in respect of the previous year	-	(8,000)
		(8,000)

7 Controlling parties

The immediate parent company is BAE Systems Electronics Limited and the ultimate parent company is BAE Systems plc. Both companies are incorporated in Great Britain and registered in England and Wales.

The consolidated financial statements of BAE Systems plc are available to the public and may be obtained from:

6 Carlton Gardens,
London,
SW1Y 5AD

Website: www.baesystems.com